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6
7 UNITED STATES BANKRUPTCY COURT
8
9 EASTERN DISTRICT OF CALIFORNIA - FRESNO DIVISION

10 In re:

11 ST JAMES AND ENNIS HANFORD
INVESTMENT, LLC,
12 a LIMITED LIABILITY COMPANY,

13 Debtor in possession.

Case No. 09-17500-A-11

Chapter 11

D.C. No. PLF-2

Date: September 2, 2009

Time: 1:30 PM

14 Place: Dept. A, Ctrm. 11, 5th Floor
United States Courthouse
2500 Tulare St., Fresno, California

15 Judge: Hon. Whitney Rimel

16 **DECLARATION OF JAMES CLARK IN SUPPORT OF MOTION FOR**
17 **AUTHORITY TO PAY PRE-PETITION CREDITOR ZUMWALT HANSEN &**
18 **ASSOCIATES**

19 I, JAMES CLARK, declare as follows:

20 1. I am an authorized agent to sign bankruptcy documents for Debtor and
secretary of Debtor. As such, I am familiar with Debtor's assets and history and I make the
21 following statements based on personal knowledge from my involvement with Debtor.

22 2. Debtor owns the real property located at 12th and Fargo in Hanford, CA, APN
23 Nos. 007-360-016 and 007-010-031, consisting of approximately 300 acres of farmland (the
24

1 "Property"). Debtor is in the process of getting the Property entitled so that it can be
2 subdivided. Debtor intends to sell the Property in phases as soon as a tentative map is
3 approved.

4 3. I believe that Debtor's ability to propose a feasible plan hinges upon getting a
5 tentative map approved and taking other necessary steps to subdivide the Property.

6 4. Debtor obtained an appraisal stating that as of August 29, 2008, the Property
7 would be worth \$27 million after annexation, zoning and tentative map are complete.

8 5. The engineer for the project, Zumwalt, is owed \$47,108.39 for pre-petition
9 services on the Property. Zumwalt will not perform any additional work on the project until
10 Zumwalt has been paid this amount. Zumwalt's work is essential to get the necessary city
11 and county approvals so that the project can move forward.

12 6. Debtor currently receives income from the property by renting it out to Faith
13 Farms, Inc. Within the last few days, Debtor received a payment of \$98,228.80 that is
14 available to pay Zumwaldt.

15 7. It is urgent that this motion be granted on an expedited basis as Debtor
16 estimates obtaining the tentative map will take approximately five (5) months after Zumwalt
17 begins work on it.

18 I declare under penalty of perjury that the foregoing statements are true and correct and
19 that if called as a witness herein I could and would competently testify thereto, and that this
20 declaration was executed on 8-25-9, at Hanford, California.

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22 JAMES CLARK
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